



The Role of

# MILITARY AIR TRANSPORT SERVICE



IN  
PEACE AND WAR

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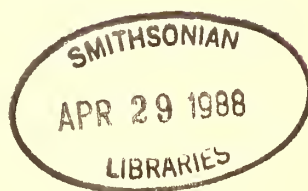
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The Role of

MILITARY AIR TRANSPORT SERVICE

in

PEACE AND WAR /



14-60  
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## INTRODUCTION

This report answers the President's request (Appendix 1) for a study of the military role performed by the Military Air Transport Service (MATS) in peace and war. It sets forth a proposal for improving materially national airlift readiness. This proposal is based on investigations, analyses, and considerations of factors relating to the establishment and operation of MATS in its present form; the relationship of commercial carriers to the military airlift support operations, and, most importantly, the military requirement for maintaining a ready airlift force.

The report is based on a comprehensive review and analysis of data pertinent to airlift requirements and operations of interest to the Department of Defense. It relies heavily on data made available to the Office of the Secretary of Defense by the various elements of the Department of Defense, including the Joint Chiefs of Staff. It takes into account Congressional views as well as views formally presented by the representatives of the air transportation industry of the United States.

While recognizing that a sizeable amount of military airlift capability is maintained outside of MATS, this report deals almost exclusively with MATS, its operations, its practices and its augmentation by commercial carriers.

Considered in the report are the reasons for establishing MATS under the Single Manager concept. The ideal airlift situation from a military point of view is discussed as is the present operation of MATS. Because of its importance to the military role of MATS, the Civil Reserve Air Fleet (CRAF) program is also analyzed.

## CONCLUSIONS

Military Airlift Requirements. The size of MATS and the extent and nature of its operations are keyed to approved military wartime airlift requirements. These requirements break down into (1) critical or hard-core<sup>1/</sup> requirements which because of their nature or the nature of the mission to be supported must move in military operated aircraft, and (2) other essential or civil eligible requirements which can move in either military or civil operated aircraft.

Hard-core requirements are applicable in general war situations as well as situations short of general war. Satisfaction of hard-core requirements (general or limited war) is vital to the successful implementation of military strategy. Therefore, MATS must possess adequate capability at all times to meet these requirements on an effective and timely basis.

Commercial carriers do not now have adequate air cargo capability to accommodate those approved military airlift requirements which could move during emergencies in commercially operated transport aircraft.<sup>2/</sup>

MATS - Present Size and Operations. MATS should consist of a modern military air transport nucleus (hard-core) capable of meeting effectively those airlift requirements which by nature and timing must be moved by military aircraft. Its present airlift capability is considered quantitatively adequate to meet all planned (hard-core) requirements. There are qualitative deficiencies in military airlift capability however which can be overcome only through modernization. This modernization is essential and urgently required to (1) improve airlift effectiveness, and (2) reduce the cost of operation of the MATS portion of the total required airlift.

In order to maintain a proper state of readiness, the MATS over-all system, including the functions of loading, unloading and maintenance, must be exercised at an appropriate rate. It is in the national interest to use productively the airlift necessarily generated in maintaining a ready D-Day airlift force. MATS now has to plan to meet sizeable volumes

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<sup>1/</sup> Airlift requirements which must move in military aircraft, manned and operated by military crews because of special military considerations, security, or because of limiting physical characteristics such as size or dangerous properties. Included in this category are special military deployments involving nuclear retaliatory forces, the SAC post strike recovery mission, tactical deployments, movement of missiles, special munitions, etc.

<sup>2/</sup> These are the so-called "civil eligible" requirements.



of military airlift requirements which are beyond the present capability of commercial carriers. However, as commercial carriers equip with modern long-range economical cargo aircraft, the situation will change and adjustment in the size of MATS can and should be made insofar as the increased civil lift can be available with certainty to meet emergency military requirements that can be handled by civil aircraft. The savings from such adjustments and reductions in commercial rates made possible by modern economical cargo aircraft should largely offset any additional cost that may be involved initially in making progressively greater use of commercial carriers for the movement of routine logistical supply.

Military Readiness. Existing deficiencies in cargo airlift capability adversely affect military readiness. There is not sufficient commercial cargo capability to accommodate the military wartime traffic which could otherwise move in commercial aircraft. The quantitative deficits in commercial capability to meet wartime needs are such that the continuity of the overseas pipeline cannot be assured in cases of emergency and forces whose operations are geared to airlift support may be deprived of airlift at a time of urgent need. To the degree practicable, therefore, regular resupply service and routine personnel movements should be to an increasing degree contracted to commercial carriers to encourage the buildup of commercial cargo capability.

MATS Versus Commercial Airlift Utilization. The MATS versus commercial airlift utilization disagreement stems from adherence to normal procurement policies and practices in obtaining commercial augmentation airlift, as well as MATS operations over routes parallel to those of commercial carriers. This problem involves CAB policy and small business considerations as well as Defense Department procurement policies.

Civil Reserve Air Fleet (CRAF). The CRAF program has been rapidly maturing during the past 18 months and it appears that the basic groundwork has been done and more rapid progress is now assured. Major shortcomings remain, however, in that no provision is made for partial mobilization or use in conditions short of general war and some of the aircraft are not yet modified to CRAF standards.

Orientation of MATS. MATS should withdraw from routine channel operations to the extent that this function can be performed effectively and at reasonable cost by commercial carriers without detriment to the hard-core mission or unnecessary duplication of expenditures for airlift service. MATS is presently reducing its operations by the elimination of three C-97 squadrons during the coming year. Further reductions and adjustments in the size and operations of MATS should be tied to (1) approved hard-core requirements; (2) a program for the replacement of MATS present piston aircraft with modern turbine-powered aircraft; and (3) the guaranteed availability at reasonable rates of modern, economical, long-range civil cargo aircraft to support defense requirements.

Procurement of Commercial Augmentation Airlift. Current airlift procurement policies and practices are not accomplishing the desired results in promoting a healthy growth of United States overseas commercial cargo airlift capability. With Congressional approval, if necessary, they should be better adapted to reflect the long-term interest of the Department of Defense in commercial airlift capability and provide the continuity and stability required for effective and economical support of military forces.

Policies and practices should (1) encourage modernization and growth of commercial cargo capability; (2) insure uninterrupted commercial airlift service to the Department of Defense at all times; and (3) require that those carriers providing augmentation airlift provide on request during emergencies a fixed percentage increase in airlift capability over their normal commitment to MATS.



PRESIDENTIALLY APPROVED COURSES OF ACTION<sup>1/</sup>

1. That MATS be equipped and operated in peacetime to insure its capability to meet approved military hard-core<sup>2/</sup> requirements in a general war and in situations short of general war, and such other military requirements as cannot be met adequately by commercial carriers<sup>3/</sup> on an effective and timely basis.
2. That the modernization of MATS hard-core military airlift capability be undertaken in an orderly manner consistent with other military requirements and in keeping with the objectives of paragraph 1 above.
3. That MATS routine channel traffic (regularly scheduled, fixed routes) operations be reduced on an orderly basis, consistent with assured commercial airlift capability at reasonable cost, and consistent with economical and efficient use, including realistic training, of the MATS capacity resulting from the provisions of paragraph 1 above.
4. That as commercial carriers make available modern, economical long-range cargo aircraft and as further orientation of MATS to the hard-core function is effected, increased use should be made of the services of such commercial carriers.
5. That, with respect to services overseas and to foreign countries, commercial augmentation airlift procurement policies and practices be better adapted to the long-range Department of Defense requirements, so as to encourage and assist in sound economic growth, development, and maintenance of an increased air cargo capability; that there be explored the feasibility of:
  - (1) Expanding the provisions of paragraph 3 above to apply to other MATS operations in addition to routine channel traffic;

1/ Resulting from the report of the Department of Defense to the President.

2/ Airlift requirements which must move in military aircraft, manned and operated by military crews because of special military considerations, security, or because of limiting physical characteristics such as size or dangerous properties. Included in this category are special military deployments involving nuclear retaliatory forces, the SAC post strike recovery mission, tactical deployments, movement of missiles, special munitions, etc.

3/ Wherever used herein, "commercial carriers" means U.S.-owned commercial carriers.

(2) (a) Procuring commercial cargo airlift only from air carriers, as defined in Section 101 (3) of the Federal Aviation Act of 1958, and increasing the amount of such airlift obtained at tariff rates filed with the Civil Aeronautics Board as distinguished from airlift obtained through the practice of advertising for bids,

(b) Requiring that all cargo carried by commercial carriers be so moved;

(3) Entering into longer term contracts for MATS traffic; and

(4) Giving preference in the movement of MATS traffic to those commercial carriers:

(a) Who are effectively committed to the Civil Reserve Air Fleet (CRAF) program;

(b) Whose facilities and equipment are most advantageous to the emergency needs of the Department of Defense; or

(c) Who are demonstrating a willingness and ability to acquire uncompromised cargo aircraft;

and that legislation be sought if necessary to permit accomplishment of any of the foregoing considered desirable.

6. That since the development of long-range, economical turbine-powered cargo aircraft is essential to MATS modernization and to long-range evolution of a modern civil cargo fleet, suitable arrangements should be made for Defense and industry participation in the costs of such development.
7. That purchase loan guarantee legislation, if proposed, contain provisions to insure the immediate availability of cargo aircraft covered thereby to meet military and mobilization requirements.
8. That consideration be given to equipping certain Air Force Reserve and Air National Guard units with transport aircraft that might be available from MATS excesses as augmentation forces for MATS in time of emergency.
9. That the role of CRAF be re-examined with the objective of insuring optimum effectiveness and responsiveness of commercial airlift services to the Department of Defense under all conditions.



MILITARY AIR TRANSPORT SERVICE (MATS)  
Single Manager Operating Agency for Airlift Service

A. ESTABLISHMENT: The Secretary of Defense issued a directive<sup>1/</sup> to establish airlift services under the Single Manager concept. This directive in its statement of purpose and objectives (Appendix 2) and again in its statement of general functions (Appendix 3) pointed to the fact that commercial airlift service is to be used to augment the airlift capacity of the agency (MATS) as required in peacetime on a basis which will contribute to the sound economic development of an increased modern commercial airlift capacity and enhance the ability of commercial carriers to operate with maximum effectiveness in support of the military forces in time of war. This directive also points to the fact that the capability of commercial carriers is to be considered in determining the level of military airlift capability required.

An important factor in the decision to establish airlift under the Single Manager concept was its diffusion within the military departments and the reliance placed by the services in wartime on a single source -- the old MATS -- for airlift service.<sup>2/</sup> MATS -- Single Manager Operating Agency for Airlift Service -- was created in an effort to bolster airlift readiness and improve the effectiveness and over-all economy of airlift support provided to the Armed Forces. Today the bulk of the long-range, strategic military airlift capability resides in MATS. However, as can be seen from Appendix 4, there is considerable airlift capability maintained within the military services outside of MATS.

Reference to the total number of aircraft assigned to MATS, as is often the case when MATS is being pictured as the "world's largest airline," is misleading. Of the 1,245 aircraft assigned to MATS, only 511 are in the common user or strategic airlift fleet. The majority of the remainder are not even transport configured, but rather are converted bombers, fighters, amphibians which are required in the mission of the MATS technical services.

B. MISSION: In creating the Single Manager for Airlift Service, one of the principal functions assigned to the Secretary of the Air Force and, in turn, to MATS was that of maintaining and operating a military airlift service system designed to maintain an adequate emergency readiness position and carry out realistic training programs. This function is the key to the MATS mission of providing airlift service as required to the Department of Defense under all conditions.

<sup>1/</sup> DOD Directive 5160.2, December 7, 1956.

<sup>2/</sup> The Army was 100% dependent on MATS for airlift; the Navy, 64%; the Air Force, 87%. ("Single Manager Assignment for Airlift Service," Presentation by Raymond M. Kenney, Jr., OASD (S&L) before The Armed Forces Policy Council, September 18, 1956.)

The military airlift capability maintained within MATS under the Single Manager concept was intended to insure that the approved D-Day and wartime airlift requirements of the Department of Defense are met. Further, it directs the development of an expanded mobilization base through the maximum feasible use of commercial airlift consistent with military requirements and the efficient employment of Department of Defense resources. The military must be prepared to meet other essential military requirements which are beyond the capability of commercial carriers.

A review of airlift requirements and capabilities data along with recent experiences in Lebanon and Formosa indicate that the purposes and objectives of the Single Manager Assignment for Airlift Service are still valid and should remain unchanged. The hard-core airlift mission should be of greatest concern to the Department of Defense as it is the key to the successful execution of military plans which depend on airlift for the movement of personnel and materiel. The demands of the hard-core mission in terms of responsiveness, risks, and training are far beyond those that could reasonably be imposed on commercial carriers.

Because of the overriding importance of meeting hard-core requirements on an effective and timely basis and the need for instantaneous response, military airlift forces should participate in non-hard-core missions only when the commercial airlift capability is inadequate or unavailable or when dictated by overriding economic considerations. The hard-core or nucleus airlift force should, to the maximum feasible extent, be poised and ready at all times.

C. COMPOSITION: It was intended initially that airlift functions only be included in the MATS organizational structure. The non-airlift activities<sup>1/</sup> now assigned to MATS reside there as a matter of administrative convenience only and not because they are an integral element of airlift. Their assignment to MATS results in erroneous public impressions as to the size and operation of the Single Manager Operating Agency for Airlift Service. These non-airlift service functions are primarily in support of Air Force activities and the additional command responsibilities imposed upon the Executive Director, MATS, may reduce his effectiveness over the airlift service function. Since their organizational relationship to airlift may be having a deleterious effect, it would seem that a review of this situation by the Air Force is in order.

The transport aircraft now in MATS represent the bulk of the military airlift available to support the military departments on a common user basis. It is this capability, when augmented by commercial capacity in time of war, on which the military services depend for the bulk of the airlift service they require.

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<sup>1/</sup> Airways and Air Communications Service (AACS); Air Weather Service (AWS); Air Photographic and Charting Service (APCS); Air Rescue Service (ARS); Iceland Air Defense Force (IADF); and the 1405th Air Base Wing.



AIRLIFT FOR THE HARD-CORE MISSION  
Capability, Operation, Assignment, and Augmentation

The ideal airlift situation, from a purely military point of view, would be to maintain at all times within the Armed Forces the total capability to meet wartime requirements. This would obviously be wasteful for the national economy, particularly in view of the capability represented by the commercial carriers of the United States and their willingness to make such capability available to the Department of Defense.

In the context of the philosophy of maintaining within the Armed Forces only the resources or capability essential to the effective implementation of military strategy, MATS ideally should perform only the "hard-core mission" leaving to the commercial carriers the job of providing airlift for routine logistic supply and normal personnel movements in conformance with criteria prescribed by the Department of Defense. This is a realistic delineation between military and commercial carriers for programming purposes. However, for peacetime operations economic considerations will dictate some adjustment.

A. CAPABILITY: The amount of airlift capability required to be maintained in peacetime within the military services has long been in dispute. Part of the dispute stems from differences of opinion as to what is required, and part arises from the lack of clear definition of the role of military airlift.

Hard-core requirements for general or limited war can be calculated on a "sortie" basis. Therefore, determinations as to the amount of airlift capability to be maintained can be made with reasonable accuracy. This same accuracy is not possible under present MATS concepts wherein requirements and capabilities are expressed in terms of ton and passenger miles and are based to a large extent on "factors" rather than specific detailed plans.

The hard-core airlift mission usually has to be conducted on a precision basis. In general war, it involves retaliatory forces to a large extent. The necessity for meeting these requirements on an effective and timely basis is unquestioned. However, it appears unrealistic to plan to meet these hard-core requirements in general war on the basis of fitting them into regularly scheduled airline type operations. For limited war situations, the fact that MATS is engaged in some channel traffic operations is beneficial because it provides additional flexibility. However, if the primary emphasis is on channel operations as it is now, there could be disruptions in the case of emergencies in normal scheduled operations which military services depend on for regular logistic support. The severity of such disruptions would depend on the nature and extent of the emergency.



B. OPERATION: The peacetime operation of the hard-core airlift capability should be consistent with the required wartime operation. It should, therefore, be limited largely to training and support directly related to hard-core mission. Ideally, it should be used only: (1) to deploy initial elements of strategic and tactical units in emergency; (2) to move such other traffic which because of its size, nature or characteristics requires military airlift; and (3) to maintain the proficiency essential to precision implementation of emergency plans. In short, the military airlift must be ready to respond to both limited and general war emergencies with maximum effectiveness and timeliness.

C. ASSIGNMENT: The optimum assignment of military airlift capability from a user point of view would provide each bona fide military claimant for airlift with a precise amount and mix of airlift capability necessary to meet his requirements on the desired basis. Thus, each claimant would be able to plan on a specific amount of lift without fear of having it diverted from other tasks. However, this would preclude effective distribution and assignment of capability in actual war emergencies because of the diffusion of control that would result. More important, however, over-all force mobility would be drastically reduced. The Single Manager for Airlift Service was established as a means of assuring adequate flexibility and mobility.

D. AUGMENTATION: Because of the nature of the hard-core requirements, it is desirable that augmentation of the hard-core airlift capability come from within the Department of Defense. Air Force Reserve and Air National Guard units equipped with transport aircraft could serve beneficially in providing primary backup for the active military airlift force.

The use of these units as "augmentation" for the hard-core military airlift force would offer several advantages; namely, (1) commercial carriers would need to perform only a logistical support role; (2) a transport role for the Air National Guard and Reserves would appear realistic; (3) aircraft equipment problems now associated with these units could be resolved quickly and with optimum economy through the use of aircraft made available by MATS; and (4) in addition to these direct advantages, the use of the Air Reserve and Air National Guard as augmenting airlift forces would contribute to the stability of airlift operations outside of MATS as well as the role of commercial carriers.

### III

#### MILITARY AIR TRANSPORT SERVICE Current Organization, Operations, Capability, Commercial Augmentation Airlift, and Growth

A. ORGANIZATION: The MATS airlift function as indicated in Appendix 5 is currently organized on a regional basis with the transport Air Forces having responsibilities for operations in particular areas. There is no distinction organizationally between the airlift roles of MATS, direct or indirect support of combat forces, hard-core or routine logistical airlift.

B. OPERATIONS: The operations of MATS in peace as well as war are oriented primarily toward scheduled, fixed route, airline type operations. Under present MATS operating concepts, disruption of the overseas logistic pipeline occurs whenever and to the extent military airlift capability is withdrawn from channel operations. The adverse effect on the readiness of forces dependent on airlift for support and from whom capability may be withdrawn is obvious and will vary depending on the extent of diversion.

As a result of the deployment of the Tactical Air Command Composite Air Strike Force to Formosa last year, MATS had to call upon the transport forces of the Strategic Air Command, Tactical Air Command, and the Air Materiel Command for assistance in maintaining the overseas logistic pipeline. In spite of this and the fact that the deployment of the TAC unit was a relatively small operation, a fifteen-day backlog of priority traffic generated at one of the major U. S. aerial ports of embarkation.<sup>1/</sup> The fact that it is necessary for MATS to seek additional capability from other military airlift forces points to the need for ascertaining the desirability of further integrating military airlift capability.

The current airline-type operation conducted by MATS, aside from its direct military implications, is the genesis of the bulk of the criticism aimed at military airlift operations. Much of the criticism is self-serving but, to an ever increasing extent, it represents the concern of Congress and others over the need for airlift readiness and the operation by the government in areas which might be served by private enterprise.

The feeling against the MATS airline-type of operation has become so strong of late as to constitute an effective block against the modernization of military airlift capability. The Congress refused to appropriate funds requested in the Air Force budget for Fiscal Year 1960 for the

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<sup>1/</sup> Memo to the Secretary of Defense from the Secretary of the Air Force, Subject: "Airlift," dated April 14, 1959.

procurement of jet cargo aircraft.<sup>1/</sup> The following extract from the Congressional Record indicates, however, that opposition to MATS modernization can be overcome: "If the Department of Defense will present a comprehensive plan for a modern military air transport program, and will give some concrete evidence of their stated intention to get MATS out of the airline business, I am confident that they will find strong support in the Congress."<sup>2/</sup> This modernization obviously is not only desirable but necessary if the Department of Defense is to have the capability necessary to provide effective airlift support to the Armed Forces under all conditions.

The continuance of the MATS present type of operation will strengthen the objections to MATS and the modernization of military airlift. If continued, it could prevent the transfer to combat forces of sizeable manpower and financial resources now used by MATS which could otherwise be effected.

C. CAPABILITY: In the case of a limited war, there are a number of contingencies which could have significant requirements. It is infeasible to select any one situation to the exclusion of the other situation of equal validity in establishing requirements. To do so would deny flexibility in logistical planning. Therefore, a median for the extreme situation which can be conceived was selected as a basis for analyzing the adequacy of airlift for limited war situations. This is a reasonable basis for planning, and the airlift needs resulting therefrom require an airlift capability of significant magnitude.

The airlift capability now assigned to MATS (Appendix 6) is adequate to meet the hard-core requirements of general war and hypothetical hard-core requirements for limited war (Appendix 7).

MATS now has additional capability over and above that required for the hard-core mission (See Appendices 6 and 7). This capability is applied against that part of the over-all military airlift requirement which could be moved by commercial carriers but for which such carriers do not now have the required capability.<sup>3/</sup> There are substantial airlift deficits in the commercial carrier capability of civil eligible requirements in both general and limited wars insofar as civil eligible cargo traffic is concerned.

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<sup>1/</sup> Senate Report No. 475 and House Report No. 408, 86th Congress, 1st Session.

<sup>2/</sup> Congressional Record, Tuesday, August 25, 1959, Remarks of Senator A. S. Mike Monroney.

<sup>3/</sup> This is the so-called "civil eligible" requirement which can move in either military or commercially operated aircraft.



For the critical period of a wartime situation, hard-core airlift requirements calculated on a sortie or one trip per aircraft basis would require a significant portion of the aircraft presently operated by MATS.

In analyzing the adequacy of transportation capability for overseas movements during emergencies, care must be exercised to assure that in developing requirements data consideration is given to the availability of both ocean and air transport capability and that an appropriate balance, consistent with national interest, is maintained.

While the MATS airlift capability is quantitatively adequate for hard-core requirements (See Appendices 6 and 7), it is seriously deficient quality-wise and greatly dependent on the availability of intermediate island bases. The C-133 is the only modern transport aircraft in MATS. The remainder are powered by reciprocating engines. As cargo carriers, they are seriously limited in terms of range and payload. The workhorse of the military fleet, the C-124, is rapidly approaching obsolescence and a critical engine supply situation. While MATS present aircraft would continue to have considerable airlift capability if denied island bases in the Atlantic, none would have a capability to overfly the Pacific Island bases with a payload (Appendix 8). This latter is an extreme requirement which can be fulfilled for cargo within the present state of the art only at the cost of considerable payload.

Commercial cargo capability is extremely limited for emergency purposes and qualitatively inadequate. Even with all the cargo aircraft in the commercial industry capable of trans-ocean operations, commercial carriers can accommodate only a relative small percentage of the military traffic that can move in either military or commercial aircraft (Appendices 6 and 7). There are no aircraft in the commercial carrier industry which were originally designed as cargo carriers. All commercial cargo aircraft have the serious disadvantage of high floor and side door loading. For many types of military cargo, they are useless. None have the required payload range capabilities (Appendix 8).

The over-all cargo airlift situation is serious and unless action is taken to modernize and expand the national cargo capability, both military and commercial, effective airlift support cannot be assured the Armed Forces. Further, unless cargo capability is modernized and expanded, the Department of Defense and the nation will continue to be denied efficient and economical airlift service.

While the need for modernizing military airlift capability to support the hard-core mission is widely recognized, there is, as mentioned earlier, strong opposition to any modernization of MATS operating in its present role. There is good reason to believe that this opposition would be withdrawn if MATS channel traffic operations were reduced and added emphasis placed on the hard-core mission. Thus, it appears such a reduction would

have public relations advantages as well as being militarily desirable. To achieve optimum benefits, any plan for adjusting the size or operations of MATS must assure adequate and efficient military airlift capability for hard-core requirements, and, at the same time, give impetus to expansion and modernization of commercial cargo capability. Delay in formulating and announcing Department of Defense intentions in this regard will have an adverse effect on airlift readiness capability.

D. COMMERCIAL AUGMENTATION AIRLIFT: There is a military requirement for commercial augmentation airlift.<sup>1/</sup> The amount of peacetime commercial augmentation airlift procured by MATS has been increasing. In Fiscal Year 1954 the amount was \$29.1 million. It was \$56.7 million in Fiscal Year 1958, \$70.4 million in Fiscal Year 1959, and will be higher in Fiscal Year 1960. These amounts represent only a portion, however, of DOD expenditures for commercial airlift service. In Fiscal Year 1959, including MATS commercial augmentation, the DOD spent over-all \$231.6 million for commercial airlift service.

To provide this augmentation which best serves Defense requirements and produces maximum over-all benefits, an effective arrangement between the Military Air Transport Service and the commercial carriers is required.

Except for the Civil Reserve Air Fleet Plan, there is no joint plan for the participation of commercial carriers in the movement of MATS controlled traffic. Consequently, military traffic has little significance in the equipment programs of major carriers and is not having the impact that it could have on the growth and modernization of air cargo capability. Rather, it is now, probably more than any other factor, the real genesis of the present MATS controversy and, unless there are changes in present concepts, the basis for its continuance.

Critics of MATS claim that (1) too little military traffic under the control of MATS moves via commercial carriers, and (2) continuance of present procurement methods will lead to destructive rate practices. Instead of being used to perform certain specified airlift requirements, such as normal personnel movements or routine logistical support on a regular basis, commercial carriers are employed by MATS in peacetime to some degree to meet airlift requirements which are beyond the programmed military capability or which might result in uneconomic use of such military capability.

Normal procurement policies and practices do not accomplish the results intended by the guidelines laid down by the Secretary of Defense for the augmentation of military airlift capability. (See Appendix 3). In procuring commercial augmentation airlift, MATS uses advertised competitive bidding for the bulk of the traffic. Common carriage is used only when it results in an immediate price advantage to the Air Force or

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<sup>1/</sup> Statement of Honorable Perkins McGuire, ASD (S&L), before the Holifield Subcommittee of the House Committee on Government Operations.



when it is the only commercial means of movement available. Advertised bidding has, however, produced low cost air transportation.

Distribution of traffic to commercial carriers is based primarily on cost factors. No preference is given because of a carrier's commitment to the Civil Reserve Air Fleet, because of his status or the route system he maintains, or because of the type of equipment operated. Ownership of aircraft, also, is not a prerequisite to participation in MATS traffic.

As a consequence of these policies in procuring augmentation airlift, rates bid by carriers have declined to what the Civil Aeronautics Board terms "dangerously low." There is concern in many quarters that a continuation of the present policies and practices will have disastrous economic effects insofar as the airline industry is concerned. This contention has been questioned, however, in view of the continued satisfactory service provided by most operators.

Present purchasing practices provide little incentive for carriers to modernize or acquire additional cargo aircraft equipment based solely on military business. Despite this, however, a few carriers have recently ordered modern cargo equipment. Qualitative and quantitative deficiencies in commercial cargo capability, plus the opposition to modernization of military air cargo capability, have serious defense implications. Our total cargo airlift capability may decline dangerously at a time when we need more capability and more aircraft with greater range. In short, the Department of Defense is buying only "term insurance" airlift when "life insurance" airlift is what is needed to meet immediate service requirements and provide the type of airlift capability desired for the future.

Two reasons have been suggested as to why the Air Force continues its present airlift procurement practices. One possible reason is suggested by the Committee on Government Operations, House of Representatives, in House Report No. 1112, Military Air Transportation (page 23), when it stated as follows: "The possibility cannot be ignored that MATS encourages such operations, not only to secure bargain rates for the government, but to prevent the civil air industry from effectively challenging its place in the sun." The other reason given is the difficulty in distributing business if other than advertised competitive bidding were used, and the requirement of law that advertised bidding must be used wherever possible. The second reason is substantial and may require legislation to change.

While there are indications that commercial carriers are willing and able to undertake some modernization of their cargo fleets based solely on the commercial market, there is a belief widely held within the government that a diversion of sizeable quantities of government traffic would greatly accelerate this modernization and expansion. There are important



reasons, however, against effecting further traffic diversion from MATS until after commercial air carriers actually acquire modern cargo aircraft. Procurement of augmentation airlift on a basis which will encourage and assist the modernization and expansion of civil cargo airlift seems possible although it may require legislation.

Because the Department of Defense is interested in developing a commercial airlift fleet well suited to defense needs, a major portion of routine logistic airlift should continue to be assigned in increasing degree to commercial carriers, subject to reasonable prices, availability in emergencies, and the assurance of modernization. The assurance of this government traffic, on a long-term predictable basis, would assist commercial air carriers in planning, financing, and implementing programs for new aircraft of the type required for Department of Defense service. In this regard, the Civil Aeronautics Board has gone on record in stating that with the aid of Department of Defense traffic awarded to the carriers at fair and reasonable rates (underscoring added), the United States could expect a healthy commercial air transportation industry adequately equipped and fully willing to meet the requirements of the Defense Department in case of emergency.<sup>1/</sup>

E. GROWTH OF MATS: Increases in traffic movements and greater ability to produce airlift are good indicators of the growth of MATS. Tons of cargo transported by MATS during the period 1954-1959 grew from about 85 thousand tons to 185 thousand tons. Passengers during the same period increased from 489,000 to over a million. The military airlift capability maintained within MATS in the period 1954 to 1958 increased by a factor of almost two -- from 580 million ton miles to over one billion ton miles annually.

The cost of providing airlift service increased from slightly under \$200 million in 1954 to about \$360 million in 1958, the last year MATS operated on a non-industrial fund basis.

The growth in MATS ton-mile potential, despite a decrease in the number of assigned aircraft, has resulted from up-grading the MATS fleet. As an example of the effect of this modernization, the Commander of the Military Air Transport Service stated to the Air Force Association in Miami on September 5, 1959, that he had been able to retire five C-54s for each C-133 placed in service.

In order to keep from a situation where available military airlift far exceeded the peacetime requirement, the Air Force has limited MATS

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<sup>1/</sup> Hearings before a Subcommittee of the Committee on Government Operations, House of Representatives, 86th Congress, 1st Session, Military Air Transportation, page 119.

ton-mile capability to the April 1959 level and reduced the flying hour objective from 6 to 5 hours per day per type of aircraft. This means that as more productive modern aircraft are brought into MATS, old aircraft will have to be retired and/or the utilization rate for all aircraft reduced. No increase in the MATS capability can be effected under present policies unless fully justified by military considerations. In fact only recently a decision has been made to further reduce the number of aircraft in the MATS inventory by phasing out three squadrons of C-97 type aircraft during FY 1960.

While increasing military requirements have been a significant factor in the growth of MATS, the inability of commercial carriers to provide adequate air cargo capability in wartime has also been an important consideration. Even today, commercial carriers are unable to provide the wartime cargo capability to handle the traffic which does not require military airlift. Until there is an expansion in commercial air cargo capability up to the required level, it is appropriate that MATS be capable of making up any deficiency that may exist.

CIVIL RESERVE AIR FLEET  
(CRAF)

A. PLAN: The Civil Reserve Air Fleet Plan was formally adopted shortly after the outbreak of the Korean War. It was intended as a means of augmenting the airlift capability of the military forces in time of war on an effective and economical basis. The principle of augmenting military capability with airlift capability possessed by commercial carriers is sound and its implementation on a realistic basis is in the national interest. However, present CRAF planning is largely a reflection of World War II experience and, consequently, inadequate to cope with the wide variety of emergencies that might arise.

CRAF planning, while originally calling for activation of the fleet only in general war situations, now envisages call-up of the fleet in situations short of general war. However, there is not general agreement between the airlines and the Government concerning the use of CRAF in other than general war and, except for contractual arrangements, no means now of assuring response of CRAF in limited emergencies. Without major policy changes as to the use and procurement of commercial augmentation airlift, there is doubt that a workable and acceptable program for a limited war CRAF can be formulated.

Carriers are reportedly reluctant to agree to a plan for activating CRAF in situations short of general war because of possible adverse effects on their competitive position within the industry. They can see no reason why they should voluntarily abandon their commercial markets for a military support role simply on the request of the Department of Defense when their services are not employed by the military in peacetime on a basis more consistent with their emergency role.

B. AIRCRAFT: The passenger aircraft in the Civil Reserve Air Fleet are the most modern available anywhere. They are adequate both qualitatively and quantitatively for the military passenger airlift requirements. However, commercial cargo capacity is inadequate to accommodate those military requirements which could otherwise move in commercial aircraft. Present commercial cargo aircraft are severely limited in range and payload (See Appendix 8). Also at present, there are no aircraft in the commercial inventory which were designed specifically for cargo service. Of the cargo aircraft assigned to the CRAF, a high percentage are C-54s and would be worthless in the MATS role if island bases were denied. Thus, the availability of new long-range cargo aircraft is a matter of great importance.

C. RESPONSIVENESS: There is no express legislative basis for the CRAF or for the activation of the fleet as required. The entire program is therefore largely a cooperative matter between the airline industry and the Air Force, dependent upon contractual arrangements between the parties involved.



Despite the length of time the CRAF program has been in effect, the dependence of the Department of Defense on CRAF and the several millions of dollars of government funds that have been spent on the program, there are only two carriers who have signed standby contracts with the Air Force. However, the basic groundwork has been done and more rapid progress is now assured. In addition to this fact, a sizeable number of the cargo aircraft currently in CRAF are not modified and equipped so that they can perform their wartime mission.

The lack of contracts and the status of the cargo fleet give rise to serious doubts insofar as CRAF responsiveness is concerned. Further, there is no feasible and economic means of testing the responsiveness at this time. Thus, in the very early and critical stages of a general war, it appears unwise for the Armed Forces to count on any commercial air support beyond that already handling military traffic when the war began. Recognizing this, and remembering that the CRAF Plan does not provide for activation of the fleet in situations short of general war, it seems fair to say that at present CRAF is not a readily available resource in all situations.

D. ALTERNATIVE: If commercial carriers were used in peacetime in approximately the same percentage ratio that would be required in wartime, as suggested by the Air Staff,<sup>1/</sup> there would be a substantial "built in" reserve cargo airfleet available to the military in any type of emergency. This would greatly reduce the dependence on CRAF as now constituted and increase the flexibility of military airlift forces. It would permit the development of a realistic plan for the employment of that commercial capability not otherwise committed to military support in either military or civil defense support if required.

Also, it would permit the channeling of funds now spent on CRAF into other essential areas and reduce the requirement on the Air Force for the maintenance of enroute supplies and support.

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<sup>1/</sup> Memo for the Secretary of the Air Force from Vice Chief of Staff, USAF, Subject: "Airlift," dated April 2, 1959.

MILITARY AND COMMERCIAL AIRLIFT  
A Solution to Present Controversy

It is generally agreed that both military and commercial airlift are essential to national defense, and there should, therefore, be an effective understanding between the two. There are sharp differences between supporters of MATS present operations and the commercial carrier industry. Because of these differences, needed modernization and expansion of national air cargo capability is not being effected to the extent considered necessary. As previously mentioned, the modernization of military airlift is being blocked. It is definitely in the national interest that this impasse be overcome.

Policies should be established which clearly outline the role of MATS, as well as that of commercial carriers, in providing airlift service to support the Armed Forces under all conditions.

These should have as their objective the:

- (1) Equipment and operation of MATS in peacetime to insure its capability to meet military hard-core requirements in a general war and in situations short of general war, and such other military requirements as cannot be met with certainty by commercial carriers.
- (2) Reduction of MATS routine channel traffic operations, on an orderly basis consistent with assured commercial airlift capability and economical peacetime use of any MATS capacity resulting from necessary training or other operations related to its hard-core requirement.
- (3) Increased use of commercial carriers for routine logistic supply and personnel movements as determined by item (2).
- (4) Modernization of MATS cargo airlift capability to effectively support the hard-core airlift mission.
- (5) Participation in and support of the DOD of governmental programs for the development of long-range, economical turbine-powered cargo aircraft for military and civil application.
- (6) Support by the DOD of legislation, if proposed, for the guarantee of loans for the purchase of modern, newly-developed cargo aircraft by commercial carriers.

- (7) Better adaptation of commercial augmentation airlift procurement policies and practices to the long-range DOD requirement for effective overseas commercial airlift service so as to encourage and assist in sound economic growth, development, and maintenance of an increased commercial air cargo capability.





THE FOLLOWING APPENDICES ARE CLASSIFIED AND ARE  
HANDLED SEPARATELY FROM THIS REPORT:

Appendix 4 - SECRET

Appendix 6 - TOP SECRET

Appendix 7 - TOP SECRET

Appendix 8 - SECRET





THE WHITE HOUSE  
WASHINGTON

July 23, 1958

MEMORANDUM FOR

THE SECRETARY OF DEFENSE

In connection with our previous discussion of the study you are to make of the military role performed by MATS in peace and war, I am looking forward to having your report of your findings as soon as practicable.

While reviewing areas where MATS may be performing transportation roles in duplication of commercial enterprises, you will also need, I am sure, to see that careful consideration is given to the requirement of the Military Establishment to retain or augment its worldwide combat mobility, with due regard to the attendant necessity for realistic training on a continuous basis, as well as the economical use in peacetime of airlift necessarily generated by a ready D-day force.

*Dwight D. Eisenhower*



PURPOSES AND OBJECTIVES FOR THE SINGLE MANAGER  
ASSIGNMENT FOR AIRLIFT SERVICE

- a. To ensure that the approved D-Day and wartime airlift requirements of the Department of Defense are met.
- b. To provide that level of military airlift capability and organizational structure required for a. above having due regard for the commercial airlift available.
- c. To integrate into a single military agency of the Department of Defense all transport type aircraft engaged in scheduled point-to-point service or aircraft whose operations are susceptible of such scheduling, and such organizational and other transport aircraft as may be specifically designated by the Secretary of Defense.
- d. To provide the most effective and economical airlift service to support the Armed Forces under all conditions consistent with references (a)1/ and (b)2/, military requirements, and the airlift service available to the Department of Defense from U. S. commercial air carriers.
- e. To develop and guide the peacetime employment of airlift services in a manner that will enhance the wartime airlift capability, achieve greater flexibility and mobility of forces, and increase logistic effectiveness and economy.

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1/ DOD Directive 4000.8, Basic Regulations for Military Supply System, dtd January 5, 1957.

2/ DOD Directive 5160.12, Policies for Implementation of Single Manager Assignments, dtd January 31, 1956.





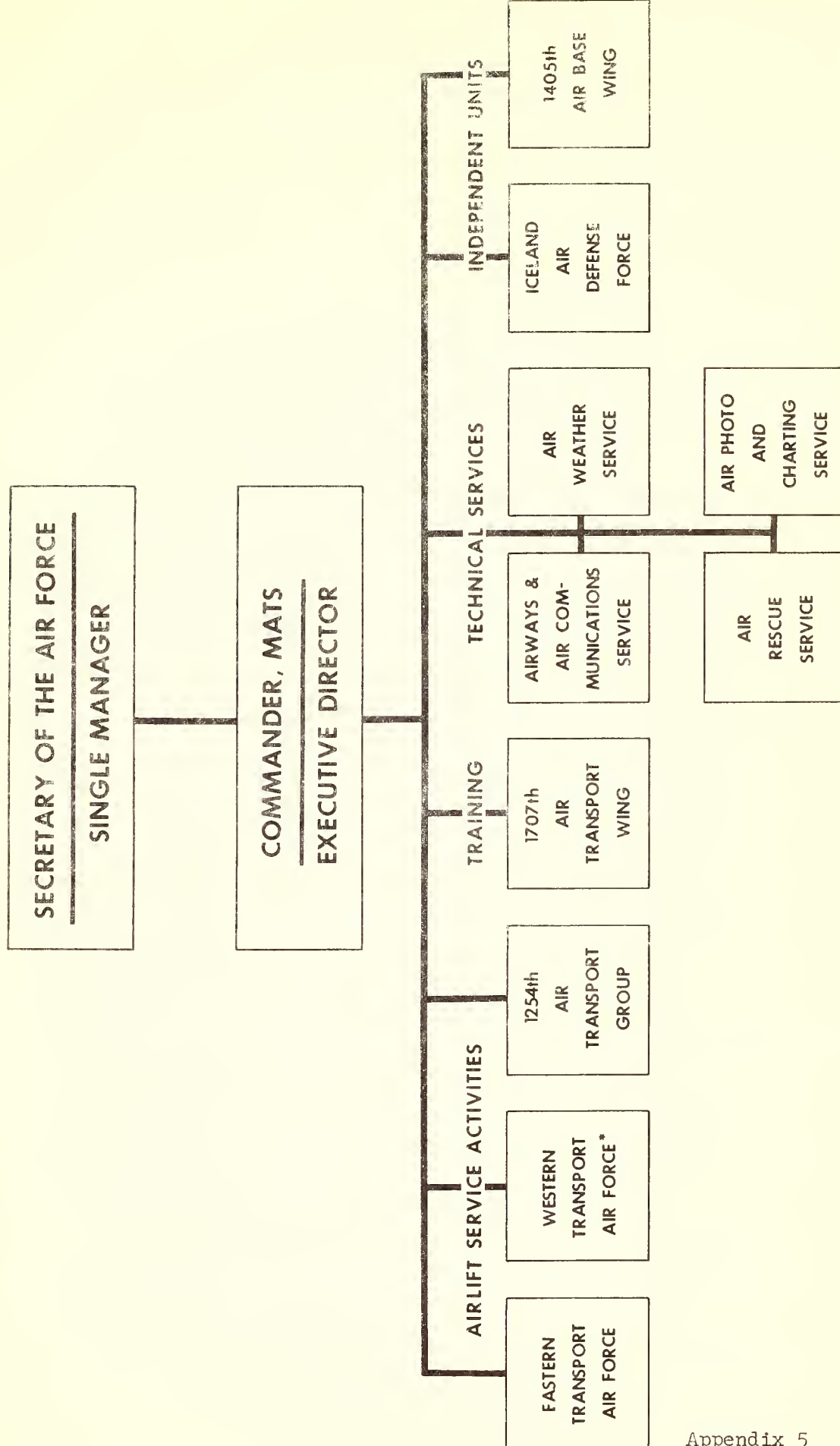
GENERAL FUNCTIONS ASSIGNED TO THE SINGLE MANAGER FOR AIRLIFT SERVICE

1. Maintain and operate a military airlift service system within limits approved by the Secretary of Defense to:
  - (a) maintain an adequate emergency readiness position,
  - (b) carry out realistic training programs,
  - (c) provide attached airlift service as required to all agencies of the Department of Defense, and
  - (d) provide common user airlift service as required by all agencies of the Department of Defense and, as authorized, for other agencies of the United States Government
- (1) between points in the United States and oversea areas,
  - (2) between and within oversea areas, and
  - (3) within the United States when necessary for reasons of security or to supplement commercial air carrier service based on determinations of the Military Traffic Management Agency.
2. Augment the airlift capacity of the Agency as required to meet requirements by the use of commercial airlift service in peacetime on a basis which will contribute to the sound economic development of an increased modern civil airlift capacity and enhance the ability of civil carriers to operate with maximum effectiveness in support of the military forces in time of war.
3. Procure by contract or otherwise all commercial airlift service between the United States and oversea areas and within and between oversea areas except individual travel and package air freight or express, and such other airlift service as may be directed by the Secretary of Defense.
4. Control the volume and rate of flow of traffic into the military airlift service system. Loading plans and loading and unloading of cargo and passengers shall be the responsibility of the Agency, utilizing the advice and participation of the shippers, as appropriate.
5. Develop an expanded mobilization base through the maximum feasible use of commercial airlift, maintenance, repair and overhaul, and terminal services, consistent with military requirements and the efficient employment of Department of Defense resources.





# ORGANIZATION OF AIRLIFT SERVICE AGENCY





GOVERNMENT COMMENTS  
REGARDING MATS AND CIVIL AIR CARRIERS

The following indicate some of the general feelings within the government concerning MATS and civil air carrier capability.

Air Coordinating Committee - 1954

The Air Coordinating Committee, comprised of government representatives from civil and military (Assistant Secretaries of Army, Navy, and Air Force) agencies, by direction of President Eisenhower, conducted a detailed review of Federal air transportation policy. The committee submitted its report to the President in May 1954. The report emphasized the importance of a sound air transportation system to the economic life and the national security of the country. It stated in part:

"Civilian air transportation is equally vital to our military capabilities. Its organization, its skilled personnel, its aircraft and supporting facilities all are ready to provide essential logistic support to our combat forces and to maintain the high-speed transport required by a wartime industrial effort. More than 300 of its most efficient aircraft have been earmarked and modified for immediate worldwide military use if the need arises." \* \* \*

"In determining the extent to which civil air transportation will be used in meeting military peacetime and wartime airlift requirements, the Department of Defense should continue its policy not to engage in competition with private industry, and to support the expansion of the nation's civil airlift capability on an economically sound basis." \* \* \*

"The Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers." \* \* \*

Hoover Commission Report - 1955

The Commission on Organization of the Executive Branch of the government in its report on transportation to the Congress stated:

"\* \* \* We do not have the resources to maintain within the Military Establishment in time of peace all the transport planes and personnel which would be needed in time of war. The commercial airlines with their bases, equipment, and personnel constitute an air transport reserve for war.

"They should be encouraged to expand. To that end commercial-type air traffic for the Military Establishment should be assigned to the commercial airlines wherever possible."





It recommended in this regard:

"\* \* \* That the peacetime operations of the integrated Military Air Transport Service be restricted and realistically limited to persons and cargo carefully evaluated as to necessity for military air transportation and, only after commercial carriers have been utilized to the maximum possible extent, should transportation on Service carriers be authorized." \* \* \*

#### Comptroller General's Report - 1955

The Comptroller General's audit report of the Civil Aeronautics Board which was submitted to Congress in October 1955 considered the problem of use of Military Air Transportation vs. U. S. Civil Air Carriers and recommended:

"\* \* \* We believe it important that the Congress direct the Department of Defense to transfer, wherever possible, military mail, cargo, and passengers to United States certificated air carriers. As stated in the Commission's report, prompt action by the Department would result not only in a significant reduction in subsidy for international carriers, but also in the development of an economic self-sufficient civil airline system, thus providing a substantial reservoir of airlift to be available to meet mobilization emergencies." \* \* \*

#### Civil Aeronautics Board Position - 1954-1958

The Civil Aeronautics Board, as the regulatory agency for civil transportation, has been confronted frequently by carriers protesting the impact of military employment of military air transport resources to move freight and passengers in peacetime. The Board concurred in the Comptroller General's report cited above. In its 1958 Legislative Program, CAB proposed an amendment to the Civil Aeronautics Act which stated:

\* \* \* "In meeting the requirements of the Government for transportation by air, preferential consideration should be given to utilizing the facilities made available by air carriers willing, able, and authorized to provide such transportation. Accordingly, it is declared to be the policy of the Government that the Department of Defense and other agencies of the Government in arranging for such transportation should utilize the facilities of air carriers to the maximum extent consistent with economical operations." \* \* \*

#### House of Representatives Appropriations Committee Report - 1956

This report noted the fact that the MATS operation was one of the most controversial activities of the Air Force, due in some measure to its alleged competitive position in relation to civil air carriers. The report commenting on the operating position of MATS, viz a viz, the Civil Air Carriers, stated:





\* \* \* "the committee recognizes the strategic importance and necessity of a strong MATS type of operation. At the same time, the committee notes that it is apparent that commercial air facilities, including scheduled and non-scheduled airlines, are an essential part of the over-all mobilization transport strength of the United States, and as it has been stated by Air Force representatives, will provide a major part of the ability of the nation to meet the huge demands for transport in the event of a sudden war emergency.

"Because of the significant role that the Military Air Transport Service plays in our mobilization, the committee does not desire to set an arbitrary limit on the size of the MATS operation. However, it is the opinion of the committee that the Air Force should give attention to handling its air transport business in such a way as to assist in keeping the non-scheduled and other airlines in a reasonably sound financial and operating position. In this regard, President Eisenhower's Air Coordinating Committee 1954 Report on Air Policy (page 17) had this to say:

'The Government should to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.' \* \* \*

House of Representatives Interstate and Foreign Commerce Committee Report - 1957

This committee indicated concern at the considerable expansion in the Military Air Transport fleet and noted the concern of groups interested in the sound development of commercial aviation. The report said:

\* \* \* "It was suggested that consideration should be given to joint planning by the CAB and the Department of Defense to: (1) make maximum use of the available capacity of the civil air carriers by the Department of Defense, and (b) plan the allocation of future Department of Defense traffic so as to encourage the civil air carriers to obtain additional aircraft which would be of great importance in case of a national emergency."

"To develop further information on how the expansion of MATS affects civil aviation, the committee proposes to continue its study to get, among other data, the answers to two questions as follows: (1) Why cannot the civil reserve air fleet be computed by having the Department of Defense state the total requirement first, then have the civil air-transport industry determine, in consultation with the Department of Commerce, how much of this requirement it can meet, and then tailor the size of MATS to make up the difference? (2) Would



it be feasible for the Department of Defense to stimulate the development of new airlift capability by offering certain long-term contracts to industry, requiring procurement of specialized types of aircraft, on the basis of which the industry could finance and place orders for such equipment?"

Staff Report to House of Representatives Subcommittee on Defense Appropriations  
- 1957

One of the reasons for this report was to determine the extent to which the military air transport operational requirements could be accommodated by civil systems. The staff report to the subcommittee stated:

\* \* \* "After considerable study, we are convinced that a substantial amount of airlift capacity, as an integral part of the military is, in fact, a military necessity, particularly in view of our national lack of enthusiasm for universal military training. So long as all men, such as flight crews, and all machines, such as airplanes, are not instantly convertible from civil status and functions to military status and functions; and so long as some of them are not prepositioned and ready hour by hour, the mobilization conversion period, if war should come, must be covered by an effective military shock force, in being and in place. We are also convinced of the need for military airlift capacity in order to have in being heavy cargo capabilities, particularly, and other special equipment, with men proficient in their use, especially since such items are not now commercially used in quantity. It seems clear that continuing technological advances; increasing speed, range, and mobility; 'defense in depth' techniques; increasing specialization; and the like, all under the pressure of potential enemy competition for military power advantage, will inevitably force more, not less, importance upon instantaneously ready airlift as time goes on. Therefore, we believe it necessary that some substantial amount of military airlift capacity be maintained as part of the military, so long as, and to the extent that, wartime military needs cannot be met adequately by mobilization of normal civil airlift capacity.

"If basic policy thus outlined is acceptable, the problem narrows to finding ways to measure and methods to balance the conflicting pressures of minimum-cost economy on one hand versus the maximum use of commercial facilities for military needs on the other hand, while maintaining military power for possible war." \* \* \*

Senate Appropriations Committee Report - 1957

In its report concerning Department of Defense appropriations for the Fiscal Year 1958, stated:

\* \* \* "Last year in the conference committee on the Defense appropriations bill the Senate joined with the House in stating





in a letter to the Secretary of Defense that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers. This statement was based upon our position that maximum utilization by the Department of Defense of United States civil air carriers is essential both in the promotion of our free enterprise economy and in the provision of the necessary ready reserve civil airlift for national defense; and that Government operations of its own air transport facilities should be limited to that essential to military security."

"The committee reaffirms its position of last year that the Department of Defense should utilize the services of commercial transportation, in preference to Government-owned transportation, to the fullest extent possible, when, upon using the same cost standards for both commercial and Government facilities, it is found to be more economical, and further, that in evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor in the award of competitive bids in transportation." \* \* \*

"In summary we do not feel that sufficient effort has been made by the Department of Defense in the international and overseas field to 'adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.'"

"It is the wish of the committee, therefore, that within the 1958 appropriations for operations and maintenance and for military personnel the Defense Department reprogram expenditures for operating MATS and other Government-owned transport activities sufficiently to permit the funds so reprogrammed to be applied toward procuring the services of United States civil air carriers to meet as nearly as possible 40 percent of the passenger requirements and 20 percent of the cargo requirements of the Military Air Transport Service."

"The committee desires that a report be made by the first of January 1958 which would indicate the progress made by the Department of Defense in implementing this directive."

However, the report was supplemented by House Conferees by inclusion of the following statement which recognized in part, at least, the procurement responsibilities of the Department of Defense under existing procurement laws:

\* \* \* "The committee of conference emphasizes the importance of the Senate committee report on use of commercial carriers





and calls on the Department of Defense to carry out the full intent. However, it is realized that the procurement of commercial transportation must be made in accordance with existing laws."

#### House of Representatives Government Operations Committee Report - 1958

The Government Operations Committee conducted a comprehensive investigation of the Military Air Transport Service and the commercial air transportation aspects of other transportation and traffic management agencies within the Department of Defense. It found a definite need for military transport operations within the Department of Defense but took exception to the validity of its size and method of utilization, and the methods and procedures for procurement of commercial augmentation. The committee made 22 recommendations as a result of its investigation. The following four quoted recommendations are considered to be most pertinently related to the commercial competition aspects of the MATS problem:

\* \* \* "Recommendation No. 2. The Military Air Transport Service should concentrate on outsize and special-cargo traffic and technical missions, leaving to the civil air carriers the primary responsibility for the transportation of passengers and the more conventional kinds of military cargo." \* \* \*

\* \* \* "Recommendation No. 3. The applicable military directives and regulations should be redrafted to eliminate the preferential position of the Military Air Transport Service in peacetime military airlift and to establish, consistent with other recommendations in this report, a full partnership role for civil carriers in moving peacetime military traffic and in contributing to war readiness through the Civil Reserve Air Fleet."

"Recommendation No. 4. In the event the applicable military directives and regulations are not redrafted to eliminate the preferential position of the Military Air Transport Service and an effective program is not developed for expanding the use of commercial air services, the Congress should adopt appropriate legislation to achieve these objectives."

\* \* \* "Recommendation No. 22. The Secretary of Defense should give consideration to reorganizing the management and operating functions of the various military agencies in the transportation field, so that traffic management for all forms of transportation, domestic and international, would be lodged in a single agency and operating functions under central traffic management would be better integrated."



HONORABLE J. GLENN BEALL OF MARYLAND - CONGRESSIONAL RECORD - JUNE 3, 1959

Insertion of an article from the Baltimore Sun by Albert Sehlstadt, Jr.

MATS wants a healthy transport industry ... (to) depend on for support if war or serious emergency were to come. General Tunner says there isn't more business unless MATS were to fly empty while training at quadruple the present budget of a quarter billion dollars. General Tunner's solution is that the military move more people and things by air than presently done increasing commercial augmentation, saving initial procurement costs for a greater number of items in long pipeline. Americans can get full value for their tax dollars spent on military transport if MATS and the airlines settle their differences and cooperate in the development of air transportation to its fullest potential.

MR. L. MENDEL RIVERS OF SOUTH CAROLINA - CONGRESSIONAL RECORD - JUNE 24, 1959

The Hoover Report only brings to question whether military or civil capacity should have first consideration in assessment of our capability for defense. We need not only planes capable of intercontinental travel without island bases but to haul outsized cargo, have fast reaction time in speed, provide close support of combat troops and distribute supplies.

Characteristic of misrepresentations are allegations as to the size of MATS by those who seek uses for their outmoded old-type planes sometimes under the guise of the Small Business Law.

SENATOR STROM THURMOND OF SOUTH CAROLINA - CONGRESSIONAL RECORD - JULY 30, 1959 (Extract from the Greenville, S. C., News - "MATS Must Be Ready at All Times")

SAC can mount a counter-attack almost instantly. STRAC can move the first elements of a combat-ready division in two hours and have a whole division ready in a few more hours. MATS could cancel all other commitments and move them. MATS keeps enough planes in reserve to start such a move but further action is questionable. MATS is being held back and eroded. It does not have enough of the most modern aircraft. Senator Thurmond focused light on this when he sought to persuade the Senate to cut back use of civilian lines and put the funds into MATS operations.

In limited moves of personnel and equipment, it is feasible to use private lines but it is hard to mesh military and civil operations. When MATS is flying nearly empty to train, waste results. Representative Rivers revealed fly-by-night airlines are created by operators of obsolete planes solely to get military business.

There are not enough C-124's, C-130's, or C-133's. Our civilian air fleet is a nice thing to have in reserve, but their planes could not be converted to military use fast enough to meet sudden emergency.





SENATOR STROM THURMOND - CONGRESSIONAL RECORD - AUGUST 11, 1959

Extract from the Greenville News of Mr. Holmes Alexander's column.

A daily flight over enemy territory from Frankfurt to Berlin is not accomplished by the newest planes but by the C47 or DC3. If there is a limited war in Europe, we are going to need the biggest, best, swiftest and most reliable armada our industrial capacity can produce. Why are we on short rations for the military machine? Inter and transcontinental airlines are flying payloads in jets. MATS does not have a single jet transport except for very important persons in the government.

MATS is a round the world system carrying missiles, military passengers and cargo far more urgent than anything carried by big airlines, but vital military loads are being toted in hand-me-down aircraft which commercial airlines are discarding. There are only 24 prop jets in operation for missile supply missions.

The government bolsters farm economy, provides subsidized housing, bids for good will with foreign aid -- these have made necessary a slow up of aircraft buying. Combat forces get preference, creating an anomaly of SAC and TAC flying two or three times faster than their support. Another reason why MATS is an obsolete airlift is petty and avaricious jealousy on the part of civil airlines toward MATS.

Theoretically, if MATS were dissolved, commercial airlines would get more business. Actually, it would probably go by ship at the expense of delay. Federal budget and civil competition are the two main reasons our military airlift is lagging.

REPRESENTATIVE L. MENDEL RIVERS OF SOUTH CAROLINA - AUGUST 17, 1959

Extension of prior remarks.

I wish to call to attention the pressure activities of the Air Transport Association and, in particular, a paper circulated by it to certain Congressmen and opposing \$30 million for modernization of MATS contained in the Senate supplemental appropriations bill. The Air Transport Association must realize that development of modern cargo jet aircraft and suitable turbofan propulsion are of vital military necessity.

From the Armed Forces Management magazine, an article by Bill Borklund is quoted:

Bombed, badgered and besieged, the MATS enters the final round of a summer-long controversy over how much money it should be spending on civil





airlift and how much it should do itself. Critics sow misinformation. Like a recalcitrant bulldog, the commercial airlines, through their powerful association lobbyists, are leaning hard in Congress to get them a bigger share of the large MATS business in spite of MATS boss, Lt. General Tunner's statement that there is no more business unless MATS flies its aircraft empty.

REPRESENTATIVE L. MENDEL RIVERS OF SOUTH CAROLINA - CONGRESSIONAL RECORD -  
AUGUST 18, 1959

I want Congress to know that the mission of MATS is to support SAC, the fighting men and women of this country, and the Armed Forces of the free world. The mission of the ATA is to destroy MATS in its capacity to fulfill its wartime mission. I leave it to the nation whether MATS is to serve the nation or whether ATA places the dollar before the security of the nation.

HOUSE OF REPRESENTATIVES SUPPLEMENTAL APPROPRIATION BILL, 1960 (Published  
AUGUST 18, 1959

It is suggested that any step which weakens, or tends to weaken, the Military Air Transport Service would be a serious matter. MATS has an important national defense function and must be preserved. It must be modernized, and its costs of operation reduced to a minimum through efficient and economical operation. To be caught in a national emergency without a working unit of MATS would be like not having guns or planes or ammunition under the same circumstances.

REPRESENTATIVE MELVIN PRICE OF ILLINOIS - CONGRESSIONAL RECORD -  
AUGUST 20, 1959

The general theme of recent articles on MATS is that the airline industry has enough capacity to perform the MATS mission and that MATS is little needed. In wartime, 80% of the need is for cargo airlift. The entire CRAF could meet but one-fourth of the total needs and none of the outsize ones. From 1955 to 1959, MATS strategic transport fleet reduced 107 aircraft and 2373 people, but increased its ton mile availability 34%. Contracts for augmentation increased from \$4.5 million to \$70.8 million in the same period. New policies to improve the system have been announced (1) hold the line on MATS peacetime capability; (2) planning 10% instead of 2.1% commercial cargo lift; and (3) subject to the availability of new long-range aircraft, civil lift will be contracted in peacetime to substantially support overseas logistic supply.



MATS is not in competition with airlines; it has increased significantly business to the airlines; it must operate at present light rate, with or without load; carrying passengers and cargo saves Defense money. MATS does not have responsibility for establishing a commercial air transport system but wants such and would like to develop close relationships with industry so each can support the other's policies.

REPRESENTATIVE L. MENDEL RIVERS OF SOUTH CAROLINA - CONGRESSIONAL RECORD -  
SEPTEMBER 9, 1959

Presents a speech by General Tunner to the Air Force Association on September 5, 1959, at Miami. The speech is premised by the statement of the Congressman that the cheapest insurance on earth is a military air transport service capable of moving and that if disaster should strike, this nation would not forgive Congress for refusing MATS the tools to do its job. MATS should be modernized. General Tunner states MATS needs public understanding and support if it is to increase its service to the nation.

HEARINGS BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES, HOUSE  
OF REPRESENTATIVES, 86th CONGRESS - DATED OCTOBER 10, 1959

The policy of the Department of Defense of procuring the lowest cost mode of transportation commensurate with the service requirement and of not according preferential consideration to one mode of transportation as against another in the routine procurement of transportation services is in accord with a reasonable interpretation of the Armed Services Procurement Act and in consonance with the national transportation policy. No change is recommended.

The suggestion to discontinue use of military equipment for movement of air freight and passengers, thus releasing business to the appropriate air carrier, strikes at the very heart of the Military Air Transport Service involved.

It is apparent there is a national defense need for the development of added air cargo capability and it is the recommendation of this Committee that such action as may be deemed most suitable be taken by industry and/or government to develop this capability.

COMMITTEE ON GOVERNMENT OPERATIONS - TENTH REPORT (Executive Action in  
Response to Committee Recommendations) - SEPTEMBER 11, 1959

The Department of Defense expressed belief that legislation is not necessary to develop an effective program for expanding the use of commercial





air services. The Committee accepts the Department's statement that it is conscientiously striving to develop effective programs for the use of commercial air services as being made in good faith. If good intent is matched by action, the need for remedial legislation will progressively diminish.

While the subcommittee believes its investigations and report have paved the way for needed reappraisal of air transportation policy in the Executive Branch, it is difficult to say now what will be the final results.

Mr. Quesada has observed that the airlines are preoccupied with development and acquisition of new passenger turbojets and lack interest in the development of an "uncompromised" all-cargo aircraft. As a result, civilian cargo capability is provided by improvised and costly to operate modifications of passenger configured aircraft.

Defense holds that if civil air cargo capability is to be developed, it should not be subsidized by military venture but by industry itself.

The subcommittee approves the Air Force action in phasing out obsolete C54 and C97 jets, but the replacement selection should be geared to MATS future role and requirements rather than to just jump to jets.

The Air Force has taken steps to stabilize procurement of commercial airlift services by awarding contracts for twelve-month periods, although the Department of Defense will have no part of the CAB proposal to prescribe minimum tariff rates. By ignoring or suppressing other values such as Defense Reserve and inviting all comers, regardless of equipment or qualifications, the Department tends to create a class of "fringe operators" who live from day to day on military handouts or serve as "captive" government airlines without helping industry as a whole.

Being within the military orbit, MATS is reluctant to plan for use of civil sources in emergency but, likewise, combat commands are reluctant to wholly rely upon MATS.

The 22 recommendations made in the original report are still basically valid and no new recommendations are made by the subcommittee.

SUBCOMMITTEE OF THE COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES,  
86TH CONGRESS

Quoting General Reeves, Deputy MATS Commander, from a speech to the American Legion in Minneapolis.

The weakest link in our national security system may well be our strategic military airlift unless we remedy its deficiencies now. Three planes are needed: (1) a high speed turbine aircraft to support jet





bombers; (2) a general workhorse to replace the piston engine C-124; and (3) added C-133 cargo turbo props. Cutting MATS flying hours to less than five hours a day would hinder war emergency response. Maintenance and supply, our logistic support, once geared below five hours simply cannot accelerate in time any more than an idle factory can come to peak production overnight.

CONGRESSIONAL RECORD OF THE SENATE - JULY 14, 1959

(Debate on the amendment reducing the amount to be spent by MATS with commercial airlines.)

Senator A. S. Mike Monroney (Okla.) - The \$100 million allocation will encourage MATS to transfer a larger part of its routine airline type logistic operations to civil carriers, which will substantially increase the ability of MATS to respond to emergency without having to shift its routine traffic on a crash basis.

Senator Dennis Chavez (N.M.) - To clarify section 631, MATS will continue to accept the lowest responsible bid as in the past. It is all right to talk about MATS which has a function to perform which is absolutely necessary; but if we are to have transportation capability in event of emergency, it is necessary to do something to enable the commercial airlines to provide that capability.

Senator Howard W. Cannon (Nev.) - The airlines state that proper efficiency can be maintained with five flying hours per month, yet they require their pilots to fly 75 to 85 hours a month. I want the record straight.. I would dislike any group to believe five hours flying time a month is sufficient. If the Senate were to raise the allocation to \$100 million, it would be a clear invitation to industry--and a misleading one--that all future business was to be taken away from MATS for civil carriers. MATS has been criticized for not having spent \$9 million. That money was saved for the taxpayers.

Senator J. Allen Frear, Jr. (Del.) - If we do not let MATS keep in shape, we cannot expect MATS to be prepared to deliver material and persons in emergency.

Senator John A. Carroll (Colo.) - I understand that one time last year MATS was immobilized in order to spend money for transportation by commercial carriers. I hope this is not true. I would like to know how much of this money went to the big airlines and what to the small ones. There is a waste when MATS is provided large appropriations and Congress then appropriates another \$100 million for the benefit of civil airlines.

Senator Stuart Symington (Mo.) - MATS is a great organization, but it is a direct competitor of civil airlines forcing them to ask increased support from taxpayers. Nobody would rather see a modern MATS than I.



Senator Barry Goldwater (Ariz.) - I am convinced that airlift capability exists today for MATS to transport M-Day or D-Day requirements and that capacity could be augmented by civil carriers. I recognize the need for a strong commercial airline industry. I think they are and will provide this in their normal growth.

Senator George A. Smathers (Fla.) - The real issue is where can we save the most money and still not interfere with the proficiency of our military.

Senator Strom Thurmond (S.C.) - For a number of years, the commercial airlines have been nibbling away at MATS. If we want to give commercial airlines money, then let us do it in the open by making an appropriation for them. I hope the Senate will see fit to practice economy, stand by MATS, and maintain a strong Military Air Transport Service for the country.





















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